

Key Information Document

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Name of Product: **Limited partnership interest in Matterwave Industrial Technologies II GmbH & Co. KG ("Fund")**

Name of Manufacturer: Matterwave Ventures Management GmbH, the Fund's external alternative investment fund manager ("AIFM")

Website: <https://www.matterwave.vc>

Call +49 89 2867 3245 for more information.

The German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) is responsible for supervising the AIFM in relation to this Key Information Document.

Date of the latest revision of the Key Information Document: 29 December 2022.

You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type **Limited partnership interest in the Fund**, a closed-ended venture capital fund in form of a German limited partnership (*Kommanditgesellschaft, GmbH & Co. KG*), held either directly by you by a trustee on your behalf. The information contained in this Key Information Document is supplemented by the following additional information documents, which are made available based on legal requirements: the limited partnership agreement of the Fund (the "LPA"), the further fund documents and the subscription booklet together with any annexes thereto. Further information about the Fund, copies of the description of the investment strategy and objectives of the Fund as well as other practical information are available in English from the AIFM free of charge.

Term of the PRIIP **The required minimum holding period is at least 10 years from the Fund's first closing**, plus an extension of the term of the Fund by up to two one year periods and the duration of the liquidation of the Fund (which includes the completion of the liquidation of the Fund) until full termination of the Fund, provided that the fund is not terminated earlier.¹ The investor is not entitled to unilaterally withdraw from or give notice to the Fund except for good cause. The Fund has no maturity date, the AIFM is not entitled to terminate the Fund unilaterally and an automatic possibility to give notice does not exist. Disposition of interest in the Fund and termination of the Fund prior to the expiry of its term is only possible in those cases expressly provided for in the LPA.¹ You have no right to redeem or sell your units of the Fund.

Objectives **Long-term capital appreciation** through the Fund's investments in equity and equity-related investments in growth-oriented companies („**Portfolio Companies**") from the industrial technologies sector in their early stage, primarily in Europe.

Taking into account the minimum required holding period, the fund return is, among other factors, dependent on whether the AIFM succeeds in seeking out and acquiring suitable Investments for the Fund; on whether such Investments can be sold with profit after a mid- to long-term holding period; and on the development of the Portfolio Companies. The Fund is actively managed, i.e., it has no index tracking objective and operates autonomously and independently the entire investment process in accordance with the investment strategy. The AIFM, with ultimate responsibility in this respect, makes the investment decisions for the Fund on a discretionary basis, taking into account the investment strategy (§§ 3, 4, 18 of the LPA) which does not include or imply a reference to a Benchmark.

The Fund's income is generally distributed, subject to the limited possibility of reinvestment under § 12 (2) of the LPA. The investors receive distributions from the Fund only if the Fund obtains liquid proceeds from its investments, provided that such proceeds are not reduced or exhausted by reinvestments, costs, or remuneration for the AIFM or carried interest of Matterwave Industrial Technologies II Carry Pool GmbH & Co. KG. Fund return is calculated based on the internal rate of return (IRR)ⁱⁱ. The Fund may not use leverage.

The Fund promotes environmental and social characteristics (see Article 8 of Regulation (EU) 2019/2088 of 27 November 2019 ("SFDR")), but does not have sustainable investments as its objective (Article 9 SFDR). The Fund promotes the following environmental and social characteristics: resource efficiency, reduction of waste and pollution, measurement and offsetting or reduction of greenhouse gas emissions, circular economy as well as inequality and diversity.

Intended retail investor **Semi-professional investors** within the meaning of the Regulation (EU) No 345/2013, who normally have to commit capital in the amount of no less than EUR 100,000, are able to sustain total loss of the investment, willing to commit to a long-term investment, have sufficient experience with venture capital funds and who are looking for an investment corresponding to a summary risk indicator of 6 out of 7 which corresponds to a high risk. The need of the retail investor to be able to bear the loss of their entire investment is due to several risks, including market risk, which can significantly impact your return on investment. These risks are further described in the section "What are the risks and what could I get in return?" below.

What are the risks and what could I get in return?

Risk Indicator



! The risk indicator assumes you keep the product for 10 years.¹ The actual risk can vary significantly if you cash in¹ at an early stage and you may get back less. You may not be able to cash in early. You may have to pay significant extra costs to cash in early.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 6 out of 7, which is the second-highest risk class. This rates the potential losses from future performance at a high level, and poor market conditions are very likely to impact our capacity to pay you. The risk indicator does not take into account that key persons might withdraw from the AIFM and that other investors' default might affect the Fund's diversification. This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment.

Performance Scenarios

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted. The scenarios shown are illustrations based on results from the past and on certain assumptions. Markets could develop very differently in the future.ⁱⁱⁱ

Recommended holding period: 10 years (required minimum holding period)

Example Investment: EUR 10,000ⁱⁱ

		If you withdraw after 1 year ⁱ	If you withdraw after 5 years ⁱ	If you withdraw after 10 years ⁱ
Scenarios				
Minimum	There is no minimum guaranteed return. You could lose some or all of your investment			
Stress	What you might get back after costs	EUR 9,261	EUR 7,961	EUR 8,637
	Average return each year	-7.39%	-4.46%	-3.32%
Unfavourable	What you might get back after costs	EUR 9,461	EUR 9,961	EUR 19,007
	Average return each year	-5.39%	-0.08%	15.28%
Moderate	What you might get back after costs	EUR 9,761	EUR 16,461	EUR 24,272
	Average return each year	-2.39%	10.48%	21.11%
Favourable	What you might get back after costs	EUR 10,261	EUR 21,461	EUR 29,984
	Average return each year	2.61%	16.49%	26.43%

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. The stress scenario shows what you might get back in extreme market circumstances. The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product (subject to the stress scenario). The scenarios shown above are based on estimated cash flows and are simulations based on estimates.

What happens if the AIFM is unable to pay out?

The Fund's assets are legally separated from the AIFM's. A default of the AIFM will not lead directly to a financial loss for you as an investor. But the Fund itself may fail to make payments (particularly due to insolvency). In this case, the AIFM will be unable to make payments on account of the Fund and, thus, you may face a financial loss. So your contributions will not be repaid. Beyond that, there is no compensation or guarantee scheme. No guarantee as to future performance of or future returns from the Fund can be given.

What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

Costs over Time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0% annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario.
- EUR 10,000ⁱⁱ is invested.

	If you withdraw after 1 year ⁱ	If you withdraw after 5 years ⁱ	If you withdraw after 10 years ⁱ
Total costs	EUR 239	EUR 1,039	EUR 1,889
Annual cost impact (*)	2.39%	2.08% each year	1.89% each year

(*) This illustrates how costs reduce your return each year over the holding period. For example it shows that if you withdraw at the recommended holding period your average return per year is projected to be 23.93% before costs and 21.11% after costs.

Composition of Costs^{iv}

One-off costs upon entry or exit		If you withdraw after 1 year
Entry costs	Entry fees are establishment fees and late entry interest. In the event of admission to the Fund after the first closing, we charge a late entry interest in the amount of a 3-months Euribor rate + 5% according to the LPA of the Fund.	113.66 EUR
Exit costs	We do not charge an exit fee for this product.	n.a.
Ongoing costs		

Management fees and other administrative or operating costs	These are all costs incurred in the establishment, formation and distribution as well as the management of the fund and its assets, with the exception of transaction costs 2% of the value of your investment per year. This is an estimate based on actual costs over the last year. ⁱⁱⁱ	200 EUR
Transaction costs	This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.	2 EUR
Incidental costs taken under specific conditions		
Performance fees and carried interest	There is no performance fee for this product. We will allocate and distribute a 20% carried interest as a special share of the Fund's results to Matterwave Industrial Technologies II Carry Pool GmbH & Co. KG after Full Pay-Out incl. the hurdle rate (within the meaning of the LPA) has been achieved. This is an estimate.	0 EUR

How long should I hold it and can I take money out early?

Required minimum holding period | **10 years**

The required minimum holding is 10 years from the Fund's first closing which is the Fund's regular term. Additionally, the regular term might be subject to extension up to two one-year periods. The Fund is only fully terminated after the end of its liquidation phase, which follows the end of the Fund's term. The Fund may only exceptionally be terminated prior to the end of its term according to the LPA. A transfer of a limited partnership interest of the Fund will require the prior written consent of the AIFM. There exists no liquid market for limited partnership interest in the Fund, so that you might not be able to find a buyer or receive a purchase price less than the capital drawn and paid up. As consumer you have a right of revocation with regard to your limited partnership interest of the Fund. Please refer to the consumer revocation instruction in the subscription booklet. You may not give notice to and withdraw from the Fund except where this is permitted under mandatory law for extraordinary reasons. As a consequence, you may not be permitted to disinvest and cash in prior to the end of the Fund's liquidation phase.

How can I complain?

Please direct any complaints about the product and conduct of the AIFM or the person selling you or advising you about this product in writing or in text form to:

- the AIFM to Liebigstraße 8, 80538 München; info@matterwave.vc; www.matterwave.vc; and/or
- the BaFin (Bundesanstalt für Finanzdienstleistungsaufsicht, Graurheindorfer Straße 108, 53117 Bonn; E-Mail: poststelle@bafin.de; internet: <https://www.bafin.de>).

Other relevant information

The information contained in this Key Information Document is supplemented by the following additional information documents: LPA, the further fund documentation and the subscription booklet together with any annexes thereto. Further information and/or documentation may be obtained, free of charge, in English, from the AIFM. A paper copy of the Key Information Document is available upon request, free of charge, from the AIFM. Further information on the Fund's promoted environmental and social characteristics can be found in the pre-contractual ESG information.

- i The scenarios presented in this Key Information Document are mandatory due to legal requirements. Please note that the Fund is a closed-ended Alternative Investment Fund (AIF). This means that notice and termination of your interest in the Fund or a return of such interest (also referred to as "withdrawal" or "cash in") is possible only in those cases mandatorily required by law. A transfer of the Fund's limited partnership interest will require the prior written consent of the AIFM. Usually, this implies that your interest in the Fund will only end after liquidation of the Fund is completed (full termination), i.e. not before the end of a period of 10 years. Where this Key Information Document contains calculations for the early termination or cash-in of interest in the Fund (i.e. notice or return) prior to full termination of the Fund, these are purely hypothetical scenarios.
- ii The assumed investment of EUR 10,000 in this Key Information Document is a purely hypothetical figure only for calculatory purposes; such figure does not alter the minimum capital commitment of EUR 100,000. The calculation of the return is based on the internal rate of return method (IRR). The calculation of the return is based on the assumption that the hypothetical capital commitment of EUR 10,000 is bound in the product from the Fund's first closing to the expiry of the respective period. This means that for the purpose of calculating the return, it is assumed that the full investment amount of EUR 10,000 is immediately paid into the fund. The performance scenarios are based on estimates of the AIFM. Actual performance may differ from these estimates.
- iii This half-sentence is mandatory due to legal requirements. The following is true: The values presented in this Key Information Document are based on estimates of the AIFM in respect of a future increase in value and the costs of the investments, i.e. irrespective of former investments and costs. The actual performance and costs may deviate from the information presented in this Key Information Document.
- iv The costs applied in this section are estimates of the AIFM. Actual costs may be higher or lower.